

Honolulu, Hawaii  
Feb 11, 2010

RE: H.B. No. 2283  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Sir:

Your Committee on Economic Revitalization, Business, & Military Affairs, to which was referred H.B. No. 2283 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC PROCUREMENT,"

begs leave to report as follows:

The purpose of this bill is to ensure fair and ethical use of local government funds by requiring state and county purchasers to follow ethical principles in matters relating to procurement.

The Hawaii Farm Bureau Federation supported this bill. The Department of Accounting and General Services supported the intent of this measure. The State Procurement Office submitted comments.

Your Committee has amended this bill by:

- (1) Requiring private entities offering goods and services for sale to government purchasers to follow ethical principles in matters relating to procurement; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2283, as amended herein, and



recommends that it pass Second Reading in the form attached hereto as H.B. No. 2283, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Revitalization, Business, &  
Military Affairs,



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ANGUS L.K. MCKELVEY, Chair



State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

HSCR 295-10

**Record of Votes of the Committee on Economic Revitalization, Business, & Military Affairs**

Bill/Resolution No.: <b>HB 2283</b>	Committee Referral: <b>EBM</b>	Date: <b>2/9/10</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EBM Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. CHOY, Isaac W. (VC)	✓			
3. BERG, Lyla B.				✓
4. EVANS, Cindy	✓			
5. MANAHAN, Joey	✓			
6. TAKAI, K. Mark	✓			
7. TOKIOKA, James Kunane	✓			
8. TSUJI, Clift	✓			
9. WAKAI, Glenn				✓
10. WOOLEY, Jessica	✓			
11. WARD, Gene	✓			
<b>TOTAL (11)</b>	<b>9</b>			<b>2</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u><i>Isaac W. Choy</i></u>				
Distribution: Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				



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# A BILL FOR AN ACT

RELATING TO PUBLIC PROCUREMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 103D-101, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 ~~[f]~~ §103D-101 ~~[h]~~ ~~[Requirement]~~ Requirements of ~~[good~~  
4 ~~faith.]~~ ethical public procurement. (a) All officers and  
5 employees of the State and each county shall conduct public  
6 procurement in an ethical manner. In conducting procurement, a  
7 government purchaser shall:

- 8 (1) Act as a fiduciary and trustee of public moneys;  
9 (2) Remain independent from vendors, bidders, prospective  
10 bidders, interested parties, and political figures;  
11 (3) Act only in the public interest;  
12 (4) Abide by the statutes and administrative rules  
13 relating to public procurement;  
14 (5) Identify and maximize efficiencies in the public  
15 procurement process;  
16 (6) Encourage economic competition by:  
17 (A) Dealing with vendors, bidders, and other  
18 interested parties at arm's length; and



- 1           (B) Researching innovative goods and services to meet  
2           the public's needs;
- 3           (7) Avoid the appearance of impropriety or conflicts of  
4           interest;
- 5           (8) Avoid social interactions with vendors, bidders,  
6           potential bidders, or other interested parties during  
7           the procurement process;
- 8           (9) Maintain confidentiality in a manner that ensures a  
9           fair procurement process; and
- 10          (10) Remain impartial in dealings with vendors, bidders,  
11          potential bidders, and other interested parties.
- 12          (b) Any person, including any actual or prospective  
13          bidder, offeror, contactor, or business taking part in the  
14          conduct of public procurement shall act in good faith to  
15          practice purchasing ethics, and when applicable, display  
16          business integrity as a responsible offeror of goods and  
17          services through the public procurement process, including:
- 18           (1) Avoiding the intent and appearance of unethical  
19           behavior or business practices;
- 20           (2) Refraining from any activity that would create the  
21           appearance of impropriety or conflicts of personal  
22           interest and the interests of the State or counties;



- 1        (3) Identify and eliminate any conflicts of interest; and
- 2        (4) Ensure that all persons are afforded an equal
- 3        opportunity to compete in a fair and open environment.

4        (c) All parties involved in the negotiation, performance,  
5 or administration of state contracts shall act in good faith."

6        SECTION 2. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8        SECTION 3. This Act shall take effect upon its approval.



**Report Title:**

Public Procurement; Ethics

**Description:**

Requires government purchasers and private entities offering goods and services for sale to government purchasers to follow ethical principles in matters relating to procurement. (HB2283 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

